

---

**PROGRAM OF SUPPORT FOR BANKING REGULATION AND SUPERVISION****(TC-99-01-01-9)****EXECUTIVE SUMMARY**

<b>Executing agency:</b>	Central Bank of the Dominican Republic, with the participation of the Superintendency of Banks	
<b>Beneficiaries:</b>	The Dominican Republic financial sector and the sector's savings depositors, the Superintendency of Banks, and the Central Bank of the Dominican Republic	
<b>Program cost and financing:</b>	MIF Window I:	US\$1,300,000
	Local counterpart:	US\$1,300,000
	Total:	US\$2,600,000
<b>Terms:</b>	Execution period:	24 months
	Disbursement period:	30 months
<b>Objectives:</b>	The program's overall objective is to enhance the quality of financial intermediary regulation and oversight, with particular emphasis on bank regulation and supervision, to make the country's financial system sounder and more secure.	
<b>Description:</b>	Specifically, the program aims to: (i) strengthen the approach to banking regulation and oversight by adjusting laws and regulations and inspection methods to the needs and characteristics of the Dominican Republic's financial system; and (ii) make oversight more efficient by improving human resources management and bringing in modern information systems. More sophisticated and efficient inspection methods will translate into effective oversight and enforcement authority.	

**Special contractual conditions:**

As a condition precedent to the first disbursement of program funds, the following must be presented to the Bank's satisfaction: (i) an agreement signed by the Central Bank (CBDR) and the Superintendency of Banks (SB) setting out, at a minimum, each party's obligations in regard to the project's execution, how and on what conditions the SB will transfer to the CBDR the counterpart resources it is to furnish for the project, and how the two agencies will be involved in the Interagency Executing Unit (IEU); (ii) evidence that members of the IEU and Administrative Unit have been appointed, (iii) a detailed work schedule for the first 12 months of the project, and (iv) terms of reference for consultants to be hired according to that schedule.

**Exceptions to Bank policy:**

None

**Environmental and social review:**

The Committee on Environment and Social Impact reviewed the program on 10 March 2000. Its recommendations are reflected in the program.

**Retroactive counterpart financing:**

The CBDR has begun activities for the first component of Module 1 of the project. Accordingly, authorization is being sought to recognize up to US\$800,000 equivalent in CBDR outlays after 1 June 1999 to hire international consultants, for retroactive financing out of the local counterpart, provided that IDB policies and procedures were followed.